

the terms of this Judgment; that the issuance and service of a writ of injunction are waived; that the terms of this Judgment are sufficiently detailed and specific to be enforceable by the Court in conformance with Tex.R.Civ.P. 683; that this Judgment represents a compromise and settlement of all matters arising out of facts alleged by the STATE OF TEXAS in this cause.

2. Defendants EZPAWN and EZMONEY represent that all of the requirements and prohibitions recited in the injunctive relief portion of this Judgment are within their sole control and authority. Based upon such attestation, the STATE OF TEXAS hereby asks the court to nonsuit with prejudice Plaintiff's claims against Defendants EZCORP, INC., TEXAS EZPAWN MANAGEMENT, INC. and PAYDAY LOAN MANAGEMENT, INC.

3. Defendants EZPAWN and EZMONEY deny each and every allegation of the STATE OF TEXAS and the parties agree and stipulate that neither this Judgment nor the payment of money by EZPAWN and EZMONEY constitutes an admission by EZPAWN and EZMONEY of any violations of the Identity Theft Enforcement and Protection Act, the DTPA or any other law.

4. Defendants EZPAWN and EZMONEY further allege and represent that they had reasonable policies and procedures in place to protect and safeguard Personal Information and Sensitive Personal Information (as defined herein below). EZPAWN and EZMONEY represent that they have provided all their current employees including area and store managers with the training described in paragraph (15). Defendants EZPAWN and EZMONEY further represent that the acts complained of in Plaintiff's Original Petition did not involve an EZMONEY store or EZMONEY store employees. EZPAWN and EZMONEY do not admit to liability or guilt for any of the acts or practices alleged in Plaintiff's pleadings nor do EZPAWN or EZMONEY agree to the applicability of the statutes under which this suit was brought.

5. Pursuant to the agreement, the parties submit to the jurisdiction of the Court and do not contest the entry of this Judgment.

6. It appearing to the Court that all parties agree to the entry of this Judgment and that they have approved its entry by their duly authorized signatures and the signature of their respective attorneys below, the Court, upon the stipulations of the parties and after being fully advised in this matter, finds as follows:

- a. That it has jurisdiction of the parties and subject matter of this suit;
- b. That the settlement of this dispute is fair, reasonable, and just; and
- c. That it would be in the best interests of the parties if the Court approved the settlement and rendered judgment accordingly.

7. Based on these findings, and having heard and considered the representations made by the parties, the Court is of the opinion that an agreed permanent injunction should be issued as granted in this agreed judgment and that plaintiff STATE OF TEXAS is entitled to recover of and from EZPAWN and EZMONEY as the parties have agreed and as set forth below.

DEFINITIONS

8. For purposes of this Judgment, these words are defined as follows:

- a. **“Personal Identifying Information”** means information that alone or in conjunction with other information identifies an *individual, including an individual's*:
 - (1) name, social security number, date of birth, or government-issued identification number;
 - (2) mother's maiden name;
 - (3) unique biometric data, including the individual's fingerprint, voice print, and

retina or iris image;

- (4) unique electronic identification number, address, or routing code; and
- (5) telecommunication access device.

b. **“Sensitive Personal Information”** means:

(1) means an individual's first name or first initial and last name in combination with any one or more of the following items, if the name and the items are not encrypted:

- (a) social security number;
 - (b) driver's license number or government-issued identification number;
- or

(c) account number or credit or debit card number in combination with any required security code, access code, or password that would permit access to an individual's financial account; and

(2) does not include publicly available information that is lawfully made available to the general public from the federal government or a state or local government.

c. **“Stores” and “storefronts”** refers to EZPAWN and EZMONEY locations owned or operated by either TEXAS EZMONEY L.P., d/b/a EZMONEY LOAN SERVICES or TEXAS EZPAWN L.P., d/b/a EZMONEY LOAN SERVICES, d/b/a EZPAWN;

d. **“Privacy Protection Laws”** includes but is not limited to Tex. Bus. & Com. Code Ann. § 35.48 (hereinafter “Section 35.48”) and Chapter 48 of the Tex. Bus. & Com. Code Ann. § 48.001, *et seq* (titled “Identity Theft Enforcement and Protection Act”).

INJUNCTIVE RELIEF

9. IT IS THEREFORE, ORDERED that EZPAWN and EZMONEY, their agents, servants employees, and successors in interest, are hereby enjoined from disposing of business records that contain Personal Identifying Information or Sensitive Personal Information unless:

- a. EZPAWN and EZMONEY modify such records by shredding, erasing or otherwise modifying them to make the Personal Identifying Information or Sensitive Personal Information unreadable or undecipherable; or
- b. EZPAWN and EZMONEY arrange for the destruction of records containing Personal Identifying Information or Sensitive Personal Information by contracting with a business that is engaged in the disposal of confidential business records by shredding, erasing, or by other means to make such information unreadable or undecipherable.

10. IT IS FURTHER ORDERED that EZPAWN and EZMONEY shall maintain a comprehensive Information Security Program consisting of reasonable procedures to protect and safeguard from unlawful use, disposal or disclosure any Personal Identifying Information or Sensitive Personal Information (hereafter, "Personal Information") collected or maintained by its stores in the regular course of business. Such Information Security Program ("Program") shall protect and safeguard Personal Information whether in electronic or hard copy format and, at a minimum, must include the elements set forth in Paragraphs 11-19 below:

DATA SECURITY COMPLIANCE REPRESENTATIVE

11. EZPAWN and EZMONEY shall designate a qualified corporate based employee to serve as EZPAWN's and EZMONEY's Data Security compliance representative ("Corporate

Representative”) who shall report directly to a corporate officer and who shall be responsible for assuring compliance with the requirements of the Program and, more generally, for overseeing efforts to comply with the terms of this Judgment and State Privacy Protection Laws. For a period of five (5) years after entry of this Judgment, the Compliance Representative’s duties shall include oversight of the following:

- a. A corporate based person or a third party vendor to whom their respective employees can anonymously report any failures to comply with the Program; and
- b. A corporate based representative or representatives who shall be responsible for responding to questions from their respective employees regarding compliance with this Order, the Program or Privacy Protection Laws.

WRITTEN PROGRAM

12. EZPAWN’s and EZMONEY’s Program shall be fully documented in writing and shall contain administrative, technical, and physical safeguards appropriate to EZPAWN’s and EZMONEY’s operations and activities and the sensitivity of the information collected from or about consumers. EZPAWN and EZMONEY shall maintain the Program except as provided herein or upon further Order of this Court.

13. The parties stipulate that EZPAWN and EZMONEY have previously provided notice to all area and store managers that the Program has been adopted and *have further informed each manager in writing of the following:* (a) that their compliance with the Program and their stores’ compliance with the Program will be taken into account in connection with performance reviews and disciplinary decisions; (b) that EZPAWN and EZMONEY will monitor employee and store compliance with the Program; (c) that failure to comply with the Program and Privacy Protection Laws may constitute grounds for disciplinary actions up to and including termination; and (d) that

training regarding the Program will be provided to all employees on or before a specific date. Hereafter, EZPAWN and EZMONEY shall provide such notice to all newly hired area and store managers within forty-five (45) days of the employees first day of employment.

RECORD DESTRUCTION

14. When disposing of records, whether electronic or hard copy, which contain Personal Information, EZPAWN and EZMONEY will either destroy or arrange for the destruction of those records by shredding, erasing or otherwise modifying the Personal Information in the records to make the information unreadable or undecipherable. If EZPAWN and EZMONEY elect to contract with a third party provider such as a recycling company, that third party provider must provide certification to EZPAWN and EZMONEY certifying that all Personal Information has been shredded, erased or otherwise modified and rendered unreadable or undecipherable. EZPAWN and EZMONEY shall maintain records identifying the specific third party provider which services each of their respective Texas stores and shall further maintain in their respective records the required certifications or in the alternative EZPAWN and EZMONEY must be able to provide evidence of the required certifications. Records pending disposal or destruction must be (i) placed in a secured locked container, (ii) maintained in a secured area; or otherwise (iii) stored securely to prevent the unlawful use, dissemination or disposal of such records.

EMPLOYEE TRAINING PROGRAM

15. EZPAWN AND EZMONEY's Program shall include the following employee training elements:

- a. A review of EZPAWN's and EZMONEY's policies and procedures relating to protection and disposal of Personal Information including the Program and fact that compliance with such will be taken into account in connection with performance

- reviews and disciplinary decisions up to and including termination;
- b. An explanation of the identity theft related reasons that it is important to abide by the Program;
 - c. A review of the laws applicable to the proper safeguarding and disposal of Personal Information;
 - d. The name and telephone number and/or email address of the persons described in the preceding paragraph 11.a. and 11.b., or third party provider to whom they can anonymously report failures to comply with or concerns regarding compliance with the Program or this Order; and
 - e. Written or electronic testing which shall ensure that each employee has acquired the knowledge needed to assure compliance with the Program.

TRAINING SCHEDULE

16. EZPAWN and EZMONEY shall provide the training described in the preceding paragraph (15) to all new employees within 90 days of the employee's first date of employment. EZPAWN and EZMONEY shall provide all employees with additional, periodic training to ensure that they maintain the requisite knowledge, skill and motivation regarding compliance with the Program. Such training shall occur on at least an annual basis.

17. EZPAWN and EZMONEY shall maintain records *reflecting each employee's* most recent training including an acknowledgment by each employee reflecting that she or he has participated in the requisite training and understands EZPAWN's or EZMONEY's Program. Such acknowledgment may be electronic. For a period of five years after entry of this Judgment, upon written request by the Office of the Attorney General, such written request not to exceed one per annum, EZPAWN or EZMONEY shall forward to the Office of the Attorney General a sworn

statement signed by a corporate officer certifying that all EZPAWN's or EZMONEY's employees have participated in the above described training program and describing EZPAWN's or EZMONEY's documentation of such training.

COMPLIANCE CHECKS

18. EZPAWN and EZMONEY agree that at least once every six months they will conduct a compliance visit to their respective retail stores to evaluate compliance with the Program, among other things. EZPAWN and EZMONEY will not inform their respective managers or employees of the store in advance, directly or indirectly, of the date when a particular store will be the subject of a compliance visit. In the event that the compliance visit reflects that the store is not complying with any component of the Program, EZPAWN and EZMONEY agree that they will document the violations, take corrective action as soon as practicably possible and document such corrective action. With respect to stores found to be out of compliance, EZPAWN and EZMONEY shall take such additional steps as they may deem appropriate to ensure future store and employee compliance at the particular store location at issue, including but not limited to, revisits to the store to be conducted by an auditor, area manager, or district managers.

POSTED NOTICE REQUIRED

19. Defendants EZPAWN and EZMONEY shall maintain posted signs in each of their stores which clearly and conspicuously disclose to all employees the procedure used in that store to properly dispose of documents which contain Personal Information and that they are required by EZPAWN's or EZMONEY's policies to comply with that procedure.

INSPECTION AND REVIEW OF PROGRAM

20. EZPAWN and EZMONEY shall make available for inspection and review a copy of their respective Programs to the Attorney General and will, within seven days of their receipt of a

request for inspection from the Attorney General, allow representatives of the Attorney General to inspect and review such at the premises of EZPAWN or EZMONEY. Unless otherwise agreed, such inspections will occur during normal business hours.

POTENTIAL CONFLICTS OF LAW

21. To the extent that the provisions of this Judgment conflict with any Texas, local or federal law or regulation which now exists, or is later enacted or amended, such law and not this Judgment shall apply where such conflict exists. For the purposes of this Judgment, a conflict exists if conduct prohibited by this Judgment is required or permitted by such Texas, local or federal law or regulation, or if conduct required by this Judgment is prohibited by such Texas, local or federal law or regulation.

MODIFICATION

22. In the event that EZPAWN or EZMONEY conclude, based on changed circumstances, that the terms of this Judgment unfairly restrict their business practices, then EZPAWN or EZMONEY may submit a written request to the ATTORNEY GENERAL seeking to modify the injunctive terms of this Judgment including requesting that any or all of EZPAWN or EZMONEY's obligations under the injunctive terms cease. The ATTORNEY GENERAL shall make a good faith evaluation of EZPAWN's or EZMONEY's request including consideration of EZPAWN's or EZMONEY's compliance with this Judgment and any consumer complaints filed against EZPAWN or EZMONEY. After collecting information the ATTORNEY GENERAL deems necessary for this evaluation, the Attorney General shall respond to EZPAWN's or EZMONEY's request within ninety days of receipt of such request (or 30 days after receiving all information requested from EZPAWN or EZMONEY, whichever is later). If the ATTORNEY GENERAL does not agree, nothing herein shall prevent EZPAWN or EZMONEY from seeking a

modification of this Order from this or any other Court with jurisdiction.

ENFORCEMENT

23. If the Attorney General has reason to believe that EZPAWN or EZMONEY have failed to comply with any of the terms of this Judgment, the Attorney General will notify EZPAWN or EZMONEY in writing of such failure to comply and EZPAWN or EZMONEY shall have fifteen (15) business days from receipt of such written notice to provide a good faith written response to the Attorney General's notification. The response shall include a sworn statement signed by the respective Compliance Representative containing, at a minimum:

- a. A statement explaining why EZPAWN or EZMONEY believes it is in full compliance with the Judgment; or
- b. A detailed explanation of how the alleged violation(s) occurred; and a statement that the alleged breach has been cured and a description of the action taken by EZPAWN or EZMONEY to cure the breach; or
- c. A statement that the alleged breach cannot be reasonably cured within fifteen (15) business days from receipt of the notice, but (i) EZPAWN or EZMONEY has begun to take corrective action to cure the alleged breach; (ii) EZPAWN or EZMONEY is pursuing such correction action with reasonable and due diligence; and (iii) *EZPAWN and EZMONEY has provided the Attorney General with a detailed and reasonable time table for curing the alleged breach.*

Nothing herein shall prevent the Attorney General from agreeing to provide EZPAWN or EZMONEY with additional time beyond the fifteen (15) business day period to respond to the notice. Nothing in this paragraph 23 shall be construed to limit the authority or discretion of the Attorney General to act in the public interest to enforce the applicable state laws.

RESOLUTION OF CLAIMS AND INVESTIGATIONS

24. This Judgment is a complete settlement and release of all claims that were brought or could have been brought, including but not limited to those claims that were brought under Tex. Bus. & Com. Code Ann. §35.48, the Texas Identity Theft Enforcement and Protection Act, Ch. 48 of the Tex. Bus. & Com. Code Ann. §48.001, *et seq.*, the Texas Deceptive Trade Practice-Consumer Protection Act, Tex Bus. & Com. Code §§ 17.41 *et seq.* and the Texas Credit Services Organizations Act, Tex. Fin. Code §§ 393.301, *et seq.*, against any of the Defendants sued in this action relating to or arising from the alleged unlawful disposal of documents containing Personal Information.

NOTICES

25. All notices required by this Judgment shall be sent by certified or registered mail, return receipt requested, postage prepaid or by hand deliver to:

If to the Attorney General:

Lara Johnson, Assistant Attorney General
Consumer Protection and Public Health Division
115 E. Travis, Suite 925
San Antonio, Texas 78205-4191

And

D. Esther Chavez, Deputy Chief
Consumer Protection and Public Health Division
300 West 15th Street
Austin, TX 78701
Telephone: 512 475 4628

If to EZPAWN or to EZMONEY:

Texas EZPAWN, L.P. and Texas EZMONEY, L.P.
ATTN: Connie Kondik, General Counsel
1901 Capital Parkway
Austin, TX 78745

And

CT Corporation System
350 N. St. Paul Street
Dallas, TX 75201

MONETARY PAYMENT

26. On or before June 24, 2008, EZPAWN agrees to pay to the State of Texas the sum of Six Hundred Thousand Dollars (\$600,000) which includes Fifty Thousand Dollars (\$50,000.00) in payment of attorney's fees in this matter. The remainder of Five Hundred and Fifty Thousand Dollars (\$550,000.00) shall be deposited in the general revenue fund and as provided by Tex Bus. & Com. Code Ann. § 48.201, may be appropriated only for the investigation and prosecution of cases under the Identity Theft Enforcement and Protection Act. Such payment shall be made in the form of a certified check or wire transfer made payable to the Office of the Attorney General of Texas, bearing the Attorney General Number 072451933 and shall be delivered to the Office of the Attorney General, Consumer Protection and Public Health Division, 300 West 15th Street, 9th Floor Austin, Texas, 78711—Attention: Janie Salazar.

MISCELLANEOUS

27. EZPAWN and EZMONEY, by the signature of their authorized representatives below, hereby acknowledge notice of this permanent injunction and acceptance of same; therefore, no writ need be issued.

28. The Court hereby grants Plaintiff's motion for nonsuit with prejudice against Defendants Texas EZPAWN Management, Inc, Payday Loan Management, Inc. and EZCORP, Inc. and dismisses with prejudice Plaintiff's claims against said Defendants.

29. All costs of court expended or incurred in this cause are adjudged against the party incurring the same.

30. After signing by the Court, this agreement constitutes final judgment.

31. All relief not expressly granted herein is denied.

JUN 24 2008

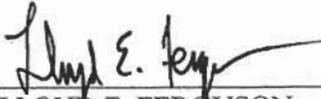
SIGNED on _____, 2008

Peter Sakai
Presiding Judge
225th District Court
Bexar County, Texas

PRESIDING JUDGE

APPROVED AS TO FORM AND SUBSTANCE AND ENTRY REQUESTED:

FOR DEFENDANTS



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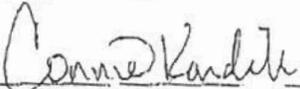
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